

## Message Text

SECRET

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ORIGIN NODS-00

INFO OCT-01 ISO-00 /001 R

DRAFTED BY EA/PHL:BAFLECK/EA:RHMILLER:AOA

APPROVED BY P:P.C. HABIB

EA:AWHUMMEL

S/S- O:R.PERIT

S - MR PASSAGE

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FM SECSTATE WASHDC

TO USDEL SECRETARY IMMEDIATE

S E C R E T STATE 298011 TOSEC 320036

NODIS

FROM HABIB FOR THE SECRETARY

E.O. 11652:GDS

TAGS: MARR, RP, US

SUBJECT: PHILIPPINE BASE NEGOTIATIONS (ACTION MEMORANDUM,

S/S 7625190) -

1. PURSUANT TO YOUR DISCUSSION AT ANDREWS WITH ART HUMMEL  
AND ME, IF YOU APPROVE THE FOLLOWING MESSAGE TO SULLIVAN,  
WE WILL DISPATCH IT TO MANILA

2. BEGIN TEXT. FOLLOWING ACCOUNT OF MEXICO CITY MEETING  
AND SUBSEQUENT EVENTS IS FOR YOUR INFORMATION TO USE AS  
NECESSARY AND APPROPRIATE WITH PRESIDENT MARCOS IN ORDER TO  
AVOID FURTHER PROBLEMS ON BASES.

3. AS YOU KNOW, ROMULO HANDED SECRETARY AIDE MEMOIRE ON  
NOVEMBER 23 WHICH REJECTED OUR PROPOSED DOLS 900 MILLION  
PACKAGE AND COUNTER-PROPOSED A TWO BILLION DOL PACKAGE, OF  
WHICH DOLS ONE BILLION WOULD BE MILITARY ASSISTANCE.  
SECRETARY RECEIVED MESSAGE ON NOVEMBER 28 WHILE IN ACAPULCO  
THA- ROMULO WISHED TO MEET WITH HIM IN MEXICO CITY.

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APPOINTMENT WAS THEREUPON SET FOR NOVEMBER 30.

4. IN THAT MEETING ROMULO STATED THAT MARCOS HAD ACCEPTED THE ONE BILLION DOLLAR PACKAGE IN PRINCIPLE. ROMULO THEN

RAISED THE QUESTION OF HOW TO ANNOUNCE IT. IN RESPONSE TO THE SECRETARY'S QUESTION AS TO WHETHER ROMULO COULD DO IT ON DECEMBER 4, ROMULO REPLIED AFFIRMATIVELY.

5. WHEN THE SECRETARY NOTED THAT RAISING OUR PROPOSED PACKAGE TO ONE BILLION DOLLARS WOULD POSE NO PROBLEM (THIS WAS THE UPPER LEVEL OF THE OFFER APPROVED BY THE PRESIDENT), ROMULO SAID THAT THE BILLION DOLLARS WOULD BE FOR MILITARY ASSISTANCE AND THAT ECONOMIC AID WAS NOT UNDER DISCUSSION. THE SECRETARY TWICE REITERATED THAT ON THE CONTRARY THE AMOUNT WAS EVENLY DIVIDED BETWEEN MILITARY AND ECONOMIC AID. ROMULO RESPONDED THAT HE WOULD WIRE THAT TO MARCOS TO GET IT CONFIRMED. AT THE END OF THE BRIEF MEETING ROMULO REFERRED TO THE FACT THAT "WE HAD CONCLUDED THESE NEGOTIATIONS".

6. AT SECRETARY'S BEHEST, TIME WAS SET ASIDE FOR ROMULO TO MEET WITH SECRETARY DECEMBER 4 TO BE FOLLOWED BY ANNOUNCEMENT CEREMONY, TEXT OF PROPOSED JOINT ANNOUNCEMENT WAS DRAFTED, NECESSARY CONGRESSIONAL BRIEFINGS WERE ARRANGED, AND ARRANGEMENTS SET IN MOTION FOR WASHINGTON MEMBERS OF YOUR NEGOTIATING TEAM TO DEPART FOR MANILA DECEMBER 5.

7. ROMULO ARRIVED IN NEW YORK FROM MEXICO CITY IN LATE AFTERNOON DECEMBER 3. ON DEPARTMENT'S INSTRUCTIONS, USUN OFFICIAL CONTACTED HIM IMMEDIATELY, INVITING HIM TO COME TO WASHINGTON DECEMBER 4 FOR MEETING WITH SECRETARY AND ANNOUNCEMENT CEREMONY, AND GAVE HIM TEXT OF PROPOSED JOINT ANNOUNCEMENT. ROMULO SAID HE WOULD HAVE TO CHECK WITH MARCOS BEFORE AGREEING. AT 8:00 PM HE TELEPHONED HABIB TO SAY THAT MARCOS DID NOT ACCEPT THE PROPOSED PACKAGE. HE SAID MARCOS WOULD ACCEPT A ONE BILLION DOL PKG CONSISTING ENTIRELY OF MILITARY AID. AFTER REPORTING THIS TO THE SECRETARY, HABIB CALLED ROMULO BACK AND TOLD HIM THAT THIS WAS NOT ACCEPTABLE AND THE MATTER WOULD HAVE TO AWAIT CON-

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SIDERATION BY THE NEXT ADMINISTRATION. ALL ARRANGEMENTS FOR DECEMBER 4 AND 5 WERE THEREUPON CANCELLED. TO ANSWER PRESS REPORTS OF AGREEMENT IT WAS AGREED THAT WE WOULD SAY THAT NO AGREEMENT HAD BEEN REACHED, MATTER REMAINED UNDER NEGOTIATION, AND WHILE MILITARY AND ECONOMIC AID HAD BEEN DISCUSSED, NOTHING WAS DECIDED.

8. WE DO NOT KNOW HOW LEAKS TO PRESS BEGAN, BUT SURMISE

THEY CAME FROM CONGRESSIONAL STAFFERS WHO WERE BRIEFED  
DEC. 3. ROMULO'S SHARP REACTION WAS PROBABLY PARTLY THE  
RESULT OF HIS FEAR THAT MARCOS WOULD BLAME HIM.

9. WE WANT TO LEAVE MATTER WHERE DEPARTMENT SPOKESMAN HAS  
LEFT IT (YOU HAVE SPOKESMAN'S LANGUAGE IN YESTERDAY'S  
WIRELESS FILE) AND LET MATTER FADE IF POSSIBLE. FOR OUR  
PART WE DO NOT WISH TO ENGAGE IN ACRIMONIOUS EXCHANGES  
PUBLICLY OR PRIVATELY, BUT WE COULD NOT LEAVE ROMULO'S  
MISSTATEMENTS UNANSWERED. END TEXT.

APPROVE-----

-

DISAPPROVE-----

DRAFTED BY EA/PHL:BAFLECK/EA:RHMILLER. CLEARED BY:  
EA - MR. HUMMEL AND S - MR. PASSAGE.S/S-O:R.PERITO.  
P - MR. HABIB.

ROBINSON

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NNN

## Message Attributes

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